

Dianne R. Nielson, Ph.D.

State of Utal DIVISION OF OIL. GAS AND MINING

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 Division Director 801-538-5340

February 19, 1991

CERTIFIED RETURN RECEIPT P 074 978 812

Mr. Lon Thomas Thomas American Stone 4040 South 300 West Salt Lake City, Utah 84107

Dear Mr. Thomas:

Permitting and Surety for the Aragonite Mill and Mine Sites, Docket No. 90-051, Re: Cause No. M/045/031, Tooele County, Utah

Subsequent to decisions made at the January 24, 1991 Board Hearing, Division staff have been working with you to develop an interim surety and permit for the Aragonite mine and mill sites. This letter discusses developments associated with the Aragonite permits made since the Board Hearing.

The Division has performed two site inspections since the January Board Hearing, once on February 5, 1991 and again on February 13, 1991. The purpose of these visits has been to evaluate the extent of site disturbance for computing an interim reclamation surety. During our February 5, 1991, inspection we developed a rough, but conservative estimate of site disturbance. We decided that there is 14 acres of disturbance at the mill site and 8.4 at the mine site. A copy of the field memo, which details our measurements has already been sent to you.

Based upon a total disturbance of 22.4 acres and an average reclamation cost of \$3,000/acre, we are hereby requiring Thomas American Stone to post a \$67,200 reclamation surety (\$42,000 for the mill site and \$25,200 for the mine site). This is only a interim/temporary surety which will be reevaluated in the spring after further site inspection with you. The amount could increase or decrease, based on future information specific to your sites. Final reclamation and surety obligations will be dictated by terms and conditions of the approved mining and reclamation plans.

Page 2 Mr. Lon Thomas M/045/031 February 19, 1991

The Board provided direction to the Division to secure an interim surety from Thomas American Stone which would be provided in an acceptable form to the Board on or before the February 28, 1991 scheduled hearing. Posting of this surety would represent a good faith effort on Thomas American Stone's part, to comply with the requirements of the Utah Minerals Regulatory Program prior to submission and final approval of mining and reclamation plans for the above referenced disturbances. Failure to post this interim surety could result in the Board's issuance of an order to cease mining operations and immediately reclaim the mine and mill sites.

You submitted two Small Mining Operation Notices of Intent (NOI) to the Division on January 17, 1991, to cover the mine and the mill. The Division will not be able to accept these NOI's because the post law (April 1987) acreage at both sites is over 5 acres. Once over 5 acres, the law requires bonding for any mining related disturbance.

The Division will also ask you to remedy some of the more critical safety concerns at your site during this interim period. Such safety hazards are associated with the county road which bisects the site, the pit highwalls, shaft and sink holes. At a minimum, we will ask that these hazards are posted at the mine site.

The Division appreciates your current willingness to work with us and hopes that your efforts will continue, in bringing this site into compliance. Should you have questions concerning the posting of the interim surety, please contact Wayne Hedberg or Lowell Braxton of my staff.

Best Regards,

Diulson

Director

jb cc:

Steve Brooks, BLM, Pony Express RA

Scott E. Isaacson, King & Isaacson CRR P074 978 813

Rod Thompson, Tooele Co.

Rick White

L.P. Braxton

T. Mitchell

Minerals staff

M045031.9